ESCORTS

Ref /EL/SEC/Eventdisc-2/2016

Date: February 2, 2016

The Manager
Listing Department
National Stock Exchange of India Limited
5th Floor Exchange Plaza
Bandra Kurla Complex, Bandra East
Mumbai -400051

NSE Code: Escorts
BSE Code: 500495
DSE Code: 00012

Dear Sir

Sub: Earning presentation of Q3FY16 Results

In compliance of the *Regulation 51 of* SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith detailed earning presentation being made to the investors and analyst today at 5.00 pm in respect of financial results of the Company for the 3rd quarter ended December 31, 2015.

This information is being made available on the Company's Website www.escortsgroup.com

This is for your information & record.

Thanking you,

Yours Faithfully
For **ESCORTS LIMITED**

Ajay Sharma
Group General Counsel
& Company Secretary

Encl: Events Schedule

Copy to:

The Manager Listing Department **BSE Limited** 25th Floor P J Towers Dalal Street Fort **Mumbai -400001**	The Manager Listing Department **The Delhi Stock exchange Association Limited** DSE House, 3/1 Asaf Ali Road **New Delhi -110002**

ESCORTS LIMITED
Corporate Secretarial
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E-mail : corpsect@ndb.vsnl.net.in, Website : www.escortsgroup.com

Registered Office : SCO - 232, 1st Floor, Sector 20, Panchkula - 134109, Haryana, India
CIN - L74899HR1944PLC039088

ESCORTS

Escorts Ltd.

BSE: 500495 | NSE: ESCORTS

Q3/9M FY16 Earning Presentation

Feburary 02, 2016

www.escortsgroup.com

Content

- Financial Highlights
  - Q3 ended December’15
  - 9Mended December’15
- Management Message
- Industry Overview
- Business Segments Highlights
- Fact Sheet
- Share Holding Pattern
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Q ended Dec'15 Highlights

Volume	• Tractor volumes correspondingly down by 16.1% to **13,319** on Y-o-Y and sequentially up by 16.5% on Q-o-Q. • Construction volume correspondingly down by 12.9% on Y-o-Y and sequentially up by 14.1% at **698** on Q-o-Q.
Revenue	Correspondingly down by 15.1% on Y-o-Y led by lower volume and Sequentially up by 10.8% to **₹ 888.1 Cr** on Q-o-Q.
EBIDTA	• Correspondingly down by 30.3% on Y-o-Y and Sequentially up by 15.6% at **₹ 34.1** Cr. on Q-o-Q led by volume. • Margin correspondingly down by 84 bps on Y-o-Y and sequentially up by 16 bps to **3.8%** on Q-o-Q.
PAT	At **₹ 20.5** Cr. down correspondingly by **₹ 15.2** Cr. on Y-o-Y and sequentially up by **₹ 4.3** Cr. on Q-o-Q.
Debt	At **₹ 443 Cr.**

9M ended Dec'15 Highlights

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Volume	• Tractor volumes down by 18.7% at 39,632 against 48,743 last year, down due to lower crop prices & deficient monsoon. • Construction volume down by 19.8% at 1,818 on Y-o-Y.
Revenue	At ₹ **2,667.5 Cr** ⇓ by 15.8% against ₹ **3,168.1** Cr last year led by lower volumes.
EBIDTA	• At ₹ **121.2** Cr. against ₹ **139.4 Cr**. last year led by lower volume and product mix changes. • **Margin at 4.5% against 4.4% last year.**
PAT	At ₹ **73.0** Cr. against ₹ **61.9** Cr. in last year.
EPS	At ₹ **6.12** against ₹ **5.19** in last year.

Management Message

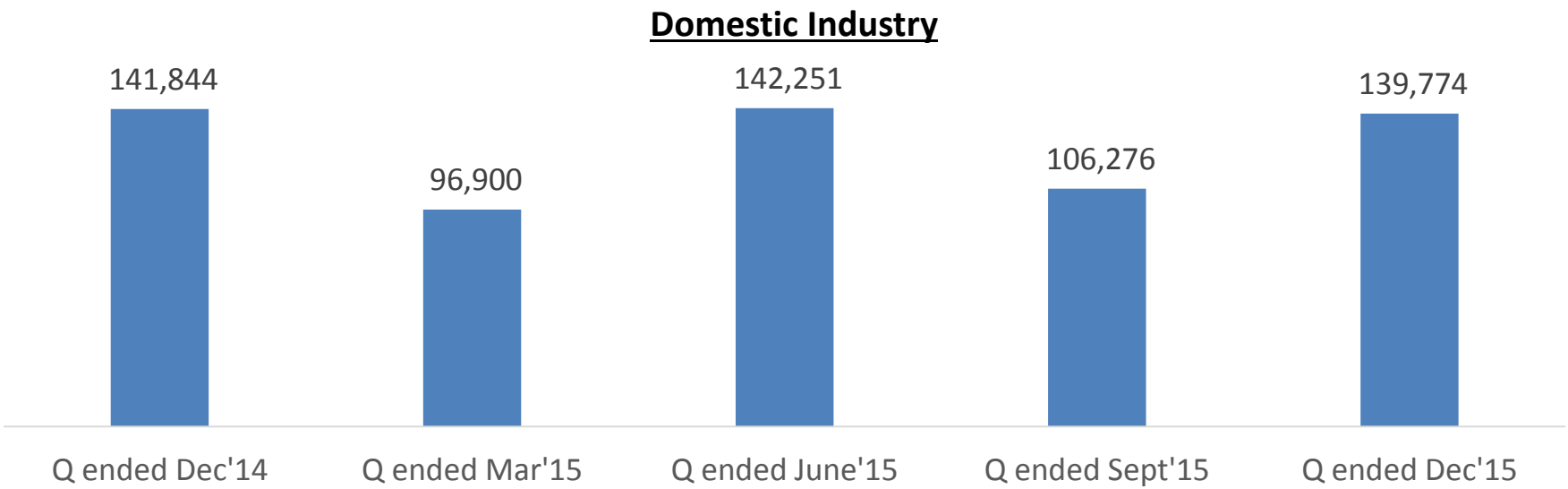
Rajan Nanda, Chairman and Managing Director

Despite a better quarter than the preceding one, it is clear that the tractor industry as a whole continues to suffer from the whiplash of the poor and uneven monsoon. The improvement in unit sales over the preceding quarter has largely been driven by on ground sales and marketing initiatives. Farm distress continues to be a major issue of concern. Large investments in irrigation, mechanization and automation are called for and we need to back the customer with more government engagement in areas such as successful implementation of strong and effective crop insurance regime, easing of loans for seeds and inputs. We hope that the forthcoming budget will put a sharp spotlight on agriculture

Nikhil Nanda, Managing Director

Escorts today is a leaner, fitter company. We have cut flab, created efficiencies through integration of production processes and cut costs across the board. Further reduction in material costs, investment in expanding product portfolio across businesses with a special focus on railway products holds the key for us. Our sustained momentum in South & West geographies has started showing results and we will maintain our push to leverage these opportunity markets. In addition, we have continued to invest in channel development and enhancing distribution coverage for a better customer outreach. We are confident that just as Escorts has navigated the trough without going back on our growth goals, we will be even stronger and ride the crest when it comes.

Tractor Industry Overview



- Y-o-Y Industry down by 1.5%, Q-o-Q Industry up by 31.5%.
- Deficient monsoon, worsening water reservoirs, lower WPI (Inflation) has resulted in lower disposable income in rural area, impacting rural demand negatively.
- Industry likely to be flat or marginally positive in Q4FY16
- Full year basis industry is expected to go down by 12-14%.
- The long term growth fundamentals of industry are strong with lowering of the replacement cycle, but the pace of the central & state Government's policy roll out and the final monsoon behavior would govern the short term industry performance.

Industry Overview

Construction Equipment Industry

- The construction equipment industry is de-growing consecutively in the 5th year.
- Served industry up by 2 % in Q3 FY16
  - Few segments like Crawler Excavators, Pavers, Concreting Equipment & Material Processing Equipment have seen a positive movement.
  - Backhoe Loaders & Off-highway trucks have seen decline.
  - Mobile Cranes have posted some de-growth.
  - Compactors have improved significantly.
- In the short term, industry sentiment looks better especially in light of number of road projects having been awarded & the rate cut by RBI. However any structural revival in the industry is expected to take time and may be pushed to the next year.

Business Segment Highlights

Q3FY16

Escorts Agri Machinery (EAM)

79% of Q3 FY16 Revenue

- Y-o-Y Domestic tractor volumes down by 14.3% to 13,250 tractors in Q3.
- Q-o-Q Domestic volumes went up by 17.3%
- Q-o-Q export down by 52.4% to 69 tractors.
- Domestic Share of Market at 9.5% in Q3 FY16.
- EBIT Margins at 6.8% against 7.8% Y-o-Y.

Escorts Construction Equipment (ECE)

13% of Q3 FY16 Revenue

- Volume at 698 in Q ended Dec'15 up by 14.1% on Q-o-Q and down by 12.9% on Y-o-Y basis
- Served industry up by 2% in Q3 FY16 in Y-o-Y.
- Backhoe Loaders & Off-highway trucks have seen decline.
- Mobile Cranes have posted some de-growth.
- Compactors have improved significantly.
- EBIT margin at negative 5.9%.

Escorts Railway Products (ERP)

6% of Q3 FY16 Revenue

- Y-o-Y revenue up by 29.9 % to ₹ 50.8 Cr. in Q3.
- Order book stood at ₹ 40 Cr. which will get executed in the next 3-4 months.
- EBIT Margins up by 1012 bps to 12.4% on Y-o-Y and down by 252 bps on Q-o-Q.

Escorts Auto Products (EAP)

2% of Q3 FY16 Revenue

- Revenue at ₹ 16.6 Cr. in Q3 FY16 against ₹ 25.5 Cr. last year
- Shortfall in Revenue mainly due to lower Export sales & after market sales.
- OE sales portfolio rationalization and pricing actions are in place.
- Going forward our focus will be to increase the sales in high margin segments and achieve breakeven.

Recent Development

(Product launches-FY16)

Powertrac Euro 45 & 50 (41- 50 HP)

- A technological marvel where for the first time style & comfort comes without compromising with power & performance.

Farmtrac Classic Series (41-50 HP)

"Modern Inside Classic Outside"

- 'Kheton Ka King'.
- Best-in-class combination of modern design, stunning looks, and world-class technologies

Fact Sheet

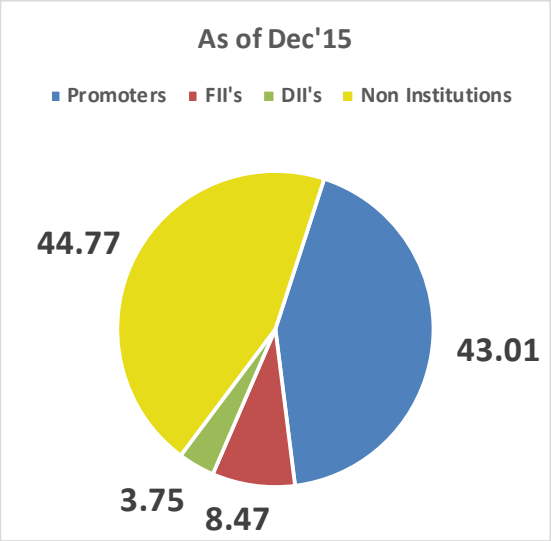
Headquarters	Faridabad, Haryana, India
Initial public offering	1991 (BSE and NSE(India))
FY15 Earnings	
Revenue	INR 3,985.8 Crore (USD 632.7 mn)
Net Profit	INR 74.7 Crore (USD 11.8 mn)
EPS	INR 6.26
9MFY16 Earnings	
Revenue	INR 2,667.5 Crore (USD 423.4 mn)
Net Profit	INR 73.0 Crore (USD 11.6 mn)
EPS	INR 6.12
Book Value Per Share	INR 153.7

In H1FY15, Company has implemented the voluntary retirement scheme aimed particularly at restructuring of Escorts Auto Products. The total amount paid during the quarter ended 30th September 2014 under the said scheme including related terminal benefits is Rs. 31.41 Cr., which is included under the head "Exceptional Items".

1 USD = 63 INR

Share Holding Pattern

Share holding Trend					
Share Holders (%)	**Dec'14**	**Mar'15**	**Jun'15**	**Sept'15**	**Dec'15**
Promoters	41.96	41.96	43.01	43.01	43.01
FII's	8.27	9.31	7.58	8.33	8.47
DII's	4.32	3.82	1.63	3.39	3.75
Non Institutions	45.45	44.91	47.78	45.27	44.77
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**



Annexure

Quarter ended Dec'15 results

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PART I

Statement of Standalone Financial Results

For The Quarter and Nine Months Ended 31/12/2015

PART I		Rs. In Lakhs					
		Standalone Results					
Sl. No.	Particulars	3 Months ended	Preceding 3 Months ended	Corresponding 3 Months ended in the previous year	For the Nine Months ended		For the Year ended
		12/31/2015	9/30/2015	12/31/2014	12/31/2015	12/31/2014	3/31/2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income from Operations**						
	(a) Net Sales/Income from Operations (Net of excise duty)	88,421.91	79,783.18	104,233.55	265,527.17	315,105.00	396,227.44
	(b) Other Operating Income	386.18	383.21	403.85	1,221.05	1,705.95	2,355.44
	Total Income from Operations (Net)	**88,808.09**	80,166.39	104,637.40	**266,748.22**	316,810.95	**398,582.88**
2	**Expenses**						
	(a) Cost of Materials Consumed	47,839.62	58,442.52	61,950.23	164,520.32	204,670.93	256,149.71
	(b) Purchases of Stock-in-Trade	5,192.36	5,486.97	5,296.13	16,653.83	15,860.61	20,504.64
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	8,462.98	(9,407.70)	7,607.94	2,350.06	6,379.72	8,207.70
	(d) Employee Benefits Expenses	10,900.26	10,601.49	11,079.14	32,334.05	33,676.49	43,183.23
	(e) Depreciation & Amortisation Expenses	1,485.19	1,546.04	1,649.68	4,644.13	4,486.47	6,605.99
	(f) Other Expenses	13,000.66	12,090.30	13,806.77	38,771.47	42,286.13	54,397.78
	Total Expenses	**86,881.07**	78,759.62	101,389.89	**259,273.86**	307,360.35	**389,049.05**
3	**Profit / (Loss) from Operations before Other Income, Finance Cost and Exceptional Items (1-2)**	**1,927.02**	1,406.77	3,247.51	**7,474.36**	9,450.60	**9,533.83**
4	Other Income	1,307.66	1,476.79	1,486.56	3,904.63	3,526.06	6,064.64
5	**Profit / (Loss) from Ordinary Activities before Finance Cost and Exceptional Items (3+4)**	**3,234.68**	2,883.56	4,734.07	**11,378.99**	12,976.66	**15,598.47**
6	Finance Cost	1,119.09	1,114.90	1,367.97	3,608.00	4,116.32	5,710.81
7	**Profit / (Loss) from Ordinary Activities after Finance Cost but before Exceptional Items (5-6)**	**2,115.59**	1,768.66	3,366.10	**7,770.99**	8,860.34	**9,887.66**
8	Exceptional Items	(7.00)	91.55	(38.02)	138.27	3,076.87	3,062.65
9	**Profit /(Loss) from Ordinary Activities before Tax (7-8)**	**2,122.59**	1,677.11	3,404.12	**7,632.72**	5,783.47	**6,825.01**
10	Tax Expense	72.69	58.91	(164.48)	337.39	(410.64)	(646.02)
11	**Net Profit / (Loss) from ordinary activities after Tax (9-10)**	**2,049.90**	1,618.20	3,568.60	**7,295.33**	6,194.11	**7,471.03**

Annexure

Quarter ended Dec'15 results

12	Extraordinary Items (net of tax expense)	0.00	0.00	0.00	0.00	0.00	0.00
13	**Net Profit / (Loss) for the period (11-12)**	**2,049.90**	1,618.20	3,568.60	**7,295.33**	6,194.11	**7,471.03**
14	Paid-up equity share capital (Face Value Rs. 10/- each)	12,257.69	12,257.69	12,257.69	12,257.69	12,257.69	12,257.69
	Less: Amount recoverable from Escorts Employees Benefit & Welfare Trust	320.96	329.36	329.36	320.96	329.36	329.36
	Paid-up equity share capital (Face Value Rs. 10/- each)	**11,936.73**	11,928.33	11,928.33	**11,936.73**	11,928.33	**11,928.33**
15	Reserves excluding Revaluation Reserves as per balance sheet	0.00	0.00	0.00	0.00	0.00	164,084.47
16.i	**Earnings Per Share (before extraordinary items) of Rs. 10 each (not annualised):**						
	(a) Basic (Rs.)	**1.72**	1.36	2.99	**6.12**	5.19	**6.26**
	(b) Diluted (Rs.)	**1.72**	1.36	2.99	**6.11**	5.19	**6.26**
16.ii	**Earnings Per Share (after extraordinary items) of Rs. 10 each (not annualised):**						
	(a) Basic (Rs.)	**1.72**	1.36	2.99	**6.12**	5.19	**6.26**
	(b) Diluted (Rs.)	**1.72**	1.36	2.99	**6.11**	5.19	**6.26**

For ESCORTS LIMITED

Place : Faridabad
Date : 02/02/2016

(RAJAN NANDA)
CHAIRMAN

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Phone: 0129-2250222, Fax: 0129-2250060
E-mail: corpsect@ndb.vsnl.net.in, Website: www.escortsgroup.com
Registered Office : 15/5, Mathura Road, Faridabad – 121 003, Haryana
CIN - L74899HR1944PLC039088

Annexure

Quarter ended Dec'15 results

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Segment Wise Revenue, Results And Capital Employed, For The Quarter and Nine Months Ended 31/12/2015

Sl. No.	Particulars	Rs. In Lakhs					
		3 Months ended	Preceding 3 Months ended	Corresponding 3 Months ended in the previous year	For the Nine Months ended		For the Year ended
		12/31/2015	9/30/2015	12/31/2014	12/31/2015	12/31/2014	3/31/2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Segment Revenue:**						
	a) Agri Machinery Products	71,032.06	60,973.22	84,776.03	213,226.16	259,718.88	321,082.83
	b) Auto Ancillary Products	1,655.96	2,424.61	2,551.89	6,977.14	7,526.35	10,361.32
	c) Railway Equipments	5,079.52	5,354.56	3,910.12	15,312.83	12,915.57	18,374.58
	d) Construction Equipments	11,930.01	12,449.58	14,127.07	33,723.19	38,384.44	51,576.78
	e) Others	0.00	0.00	0.00	44.19	0.00	0.00
	f) Unallocated	81.75	253.74	128.19	454.60	444.11	537.60
	Total	89,779.30	81,455.71	105,493.30	269,738.11	318,989.35	401,933.11
	Less: Inter Segment Revenue	572.63	575.88	613.56	1,568.47	1,566.54	2,036.64
	Net Segment Revenue	89,206.67	80,879.83	104,879.74	268,169.64	317,422.81	399,896.47
2	**Segment Results:**						
	a) Agri Machinery Products	4,829.87	4,106.12	6,609.59	16,282.05	20,111.55	22,927.26
	b) Auto Ancillary Products	(601.99)	(465.20)	(474.41)	(1,494.57)	(2,095.30)	(2,366.46)
	c) Railway Equipments	631.18	800.27	90.20	2,063.54	708.07	1,753.19
	d) Construction Equipments	(705.91)	(487.73)	(169.22)	(2,310.08)	(2,146.86)	(2,482.02)
	e) Others	(29.57)	(29.05)	(35.66)	(42.31)	(89.90)	(115.84)
	Total	4,123.58	3,924.41	6,020.50	14,498.63	16,487.56	19,716.13
	Less :						
	- Finance Cost	1,119.09	1,114.90	1,367.97	3,608.00	4,116.32	5,710.81
	- Exceptional Items	(7.00)	91.55	(38.02)	138.27	3,076.87	3,062.65
	- Other unallocable expenditure *(Net of unallocable income)*	888.90	1,040.85	1,286.43	3,119.64	3,510.90	4,117.66
	Total Profit Before Tax	2,122.59	1,677.11	3,404.12	7,632.72	5,783.47	6,825.01
3	**Capital Employed** *(Segment Assets – Segment Liabilities)*						
	a) Agri Machinery Products	111,542.51	112,179.12	102,918.87	111,542.51	102,918.87	107,299.19
	b) Auto Ancillary Products	5,290.56	5,202.23	6,136.30	5,290.56	6,136.30	5,139.64
	c) Railway Equipments	9,165.10	9,017.60	8,493.55	9,165.10	8,493.55	12,360.86
	d) Construction Equipments	14,742.47	16,081.25	25,125.29	14,742.47	25,125.29	17,483.07
	e) Others	560.57	556.98	517.17	560.57	517.17	517.63
	f) Unallocated	102,637.09	100,759.55	97,024.89	102,637.09	97,024.89	99,736.47
	Total	243,938.30	243,796.73	240,216.07	243,938.30	240,216.07	242,536.86

Annexure

Quarter ended Dec'15 results

Notes :

1 The above results were reviewed by the Audit committee at its meeting held on 2nd February, 2016 and were approved and taken on record by the Board of Directors at their meeting held on the same date.

2 The Company has passed a resolution through postal ballot on Janaury 30, 2016 approving the shifting of registered office from "SCO-232, First Floor, Sector – 20, Panchkula – 134 109, Haryana" to "15/5, Mathura Road, Faridabad – 121 003, Haryana", within the State of Haryana.

3 Tax expense comprise of current tax, deferred tax liabilities / assets and MAT credit entitlement, if any.

4 Capital Employed has been calculated as "Total Assets Less Current Liabilities excluding Short Term Borrowings and Debt payable within 1 year" .

5 Figures for the previous periods have been regrouped/restated, wherever necessary, to correspond with the figures of current period.

For ESCORTS LIMITED

Place : Faridabad
Date : 02/02/2016

(RAJAN NANDA)
CHAIRMAN

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CIN - L74899HR1944PLC039088

Our Values

OUR CORE VALUES

ESCORTS

RESPECT FOR PEOPLE

We will demonstrate dignity and respect for people in all our interactions. We will not tolerate belittling of people, regardless of position, or circumstance.

EMPOWERMENT

People at all levels must be vested with the power and confidence to take decisions concerning their area of work.

TRANSPARENCY

People will understand the processes and criteria used to arrive at decisions concerning them.

COLLABORATION

We will work with our colleagues with the spirit of collaboration and mutual respect.

OUR STRATEGIC VALUES

ESCORTS

CUSTOMER CENTRICITY

Acute sensitivity to the needs and experiences of the customer shall guide all that we do.

EXCELLENCE

We will strive to achieve and surpass world class standards in all that we do.

INNOVATION

We will use the power of technology and imagination to deliver solutions to the customers' needs.

AGILITY

We will operate in our markets with the ability to change direction and position with nimbleness and speed.

Safe Harbor

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Escorts Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Contact Details

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